SHASHI THAROOR





'Engaging . . . and also instructive'
FINANCIAL TIMES

PAX INDICA

India and the World of the 21st Century

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PAX INDICA

An elected Member of Parliament, former minister of state for external affairs and former under-secretary-general of the United Nations, Shashi Tharoor is the prize-winning author of twelve previous books, both fiction and non-fiction. A widely published critic, commentator and columnist, he served the United Nations during a twenty-nine-year career in refugee work and peacekeeping, at the Secretary-General's office and heading communications and public information. In 2006 he was India's candidate to succeed Kofi Annan as UN Secretary-General, and emerged a strong second out of seven contenders. He has won India's highest honour for overseas Indians, the Pravasi Bharatiya Samman, and numerous literary awards, including a Commonwealth Writers' Prize.

For more on Shashi Tharoor, please see www.tharoor.in.

Praise for the Book

‘*Pax Indica* is a great introduction for those interested in reading about India’s foreign policy and its evolution since independence’—*DNA*

‘[Tharoor’s] view of the world and India’s role in it is hearteningly sane; he has a diplomat’s faith in dialogue and cooperation effecting incremental benefits’—*Tehelka*

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‘A comprehensive dissertation on the diverse fields of India’s endeavours since Independence . . . a timely book, very well written, a must-read for students and professionals alike’—Jaswant Singh

‘This exceptionally lively and well-written survey of India’s international relations challenges preconceptions that foreign policy must be dull’—David Malone

‘Those dreams are for India, but they are also for the world’—
Jawaharlal Nehru, ‘Tryst with destiny’ speech, 15 August 1947

As a major power India can and must play a role in helping shape the global order. The international system of the twenty-first century, with its networked partnerships, will need to renegotiate its rules of the road; India is well qualified to help write those rules and define the norms that will guide tomorrow’s world. That is what I have called Pax Indica: not global or regional domination along the lines of a Pax Romana or a Pax Britannica but a ‘Pax’ for the twenty-first century, a peace system which will help promote and maintain a period of cooperative coexistence in its region and across the world.



CHAPTER ONE

Revisiting the Tryst with Destiny

At midnight on 15 August 1947, independent India was born as its first prime minister, Jawaharlal Nehru, proclaimed 'a tryst with destiny—a moment which comes but rarely in history, when we pass from the old to the new, when an age ends and when the soul of a nation, long suppressed, finds utterance'. It was an hour of darkness, too, with the flames of Partition blazing across the land, hundreds of thousands being butchered in sectarian savagery and millions seeking refuge across the arbitrary lines that had vivisected their homelands. Yet in the midst of these horrors, mingled with the joy of that sublime moment when, in Nehru's memorable words, India awoke to life and freedom, our prime minister remained conscious of his country's international obligations. In his historic speech about India's 'tryst with destiny', Nehru, speaking of his country's dreams, said: 'Those dreams are for India, but they are also for the world, for all the nations and peoples are too closely knit together today for any one of them to imagine that it can live apart. Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this One World that can no longer be split into isolated

fragments.' It was typical of that great nationalist that, at a time when the fires of Partition were blazing across the land, he thought not only of India, but of the world.

In a sense, this was not entirely surprising, because India had, for millennia, been engaged with the rest of the world. The north of India had witnessed a series of visitations and invasions, ranging from armed hordes of Macedonians, Scythians, Persians and Central Asians marching in through the north-west in quest of pillage and plunder to learned Chinese scholars crossing the Himalayas in the north and north-east in quest of learning and wisdom. The South, with its long coastlines, had enjoyed trade relations with the Roman Empire, the Arab lands to the west and the east coast of Africa, while extending its religious and cultural influence to the Asian countries to the east. Historical records and archaeological excavations demonstrate that India's connections with the rest of the world go at least as far back as the Harappan civilization of 2500–1500 BC, which maintained extensive links with Mesopotamia. Europe's history of trading relations with India is borne out in the writings of the ancient historians Herodotus, Pliny, Petronius and Ptolemy, and long precedes the colonial experience. The naval expansionism of the southern Chola and Pallava empires took Indian influences directly to Thailand, Malaya, Indonesia and Cambodia. Later, the Mughal Empire served as the centre of an Indo-Persian world that straddled both the Bay of Bengal and the Arabian Sea, and whose influence stretched east as well as west—so that Thai kings named themselves after Deccani sultans and the first epic poet of Aceh (in Sumatra) was born in Surat (in Gujarat). It could indeed be argued that the India of today is the direct product of millennia of contact, trade, immigration and interaction with the rest of the world. Nehru was thus speaking as heir to this history.

Yet for two centuries before that moment, India had been unable to express its voice or exercise its place in the world. The British had

usurped that right from it; when India, under colonial rule, was made a founding member of the League of Nations after the First World War, its delegation was headed by a former England cricket captain, C.B. Fry. Those who spoke for India in the world did so with Britain's interests uppermost in their minds. India's authentic voice had only been heard in those international conferences of subaltern groups where nationalists like Jawaharlal Nehru spoke for his oppressed and excluded people, or in the resolutions passed annually by the Indian National Congress on the international situation—resolutions which had no discernible effect on the decision-makers in London who determined where India would stand in world affairs.

So when Nehru spoke at that midnight moment, he was speaking for a nation that had found its own voice in the world again, and was determined to use it to express a worldview radically different from that which had been articulated by India's British rulers in previous decades. And he was doing so as a convinced internationalist himself, one who had seen much of the world in his extensive travels and was resolved to apply his own understanding of it to his newly independent nation's stance in world affairs.

In the six decades since Nehru's India constituted itself into a sovereign republic, the world has become even more closely knit together than he so presciently foresaw. Indeed, as the twenty-first century enters its second decade, even those countries that once felt insulated from external dangers—by wealth or strength or distance—now fully realize that the world is truly 'knit together' as never before, and that the safety of people everywhere depends not only on local security forces, but also on guarding against terrorism; warding off the global spread of pollution, of diseases, of illegal drugs and of weapons of mass destruction; and on promoting human rights, democracy and development.

Jobs everywhere, too, depend not only on local firms and factories, but

on faraway markets for products and services, on licences and access from foreign governments, on an international environment that allows the free movement of goods and persons, and on international institutions that ensure stability—in short, on the international system that sustains our globalized world.

Today, whether you are a resident of Delhi or Dili, Durban or Darwin, whether you are from Noida or New York, it is simply not realistic to think only in terms of your own country. Global forces press in from every conceivable direction. People, goods and ideas cross borders and cover vast distances with ever greater frequency, speed and ease. We are increasingly connected through travel, trade, the Internet; through what we watch, what we eat and even the games we play. The ancient Indian notion encapsulated in the Sanksrit dictum 'vasudhaiva kutumbakam' (the world is a family) has never been truer.

These benign forces are matched by more malign ones that are equally global. In my time as a career official at the United Nations, I learned that the world is full of 'problems without passports'—problems that cross all frontiers uninvited, problems of terrorism, of the proliferation of weapons of mass destruction, of the degradation of our common environment, of contagious disease and chronic starvation, of human rights and human wrongs, of mass illiteracy and massive displacement. Such problems also require solutions that cross all frontiers, since no one country or group of countries can solve them alone.

One simply cannot forget that 9/11 made clear the old cliché about our global village—for it showed that a fire that starts in a remote thatched hut or dusty cave in one corner of that village can melt the steel girders of the tallest skyscrapers at the other end of our global village.

In such a world, issues that once seemed very far away are very much in your backyard. What happens in North America or North Africa—from protectionist politics to civil society uprisings to deforestation and desertification to the fight against AIDS—can affect your lives wherever

you live, even in North India. And your choices here—what you buy, how you vote—can resound far away. As someone once said about water pollution, we all live downstream. We are all interconnected, and we can no longer afford the luxury of not thinking about the rest of the planet in anything we do.

It has taken us some time to internalize this conviction in India. After all, self-reliance and economic self-sufficiency were a mantra for more than four decades after independence, and there were real doubts as to whether the country should open itself up further to the world economy. Whereas in most of the West most people axiomatically associated capitalism with freedom, India's nationalists associated capitalism with slavery—for, after all, the British East India Company had come to trade and stayed on to rule. So India's nationalist leaders were suspicious of every foreigner with a briefcase, seeing him as the thin edge of a neo-imperial wedge. Instead of integrating India into the global capitalist system, as only a handful of post-colonial countries like Singapore chose to do, India's leaders (and those of most former colonies) were convinced that the political independence they had fought for so hard and long could only be guaranteed through economic independence. So self-reliance became the mantra, the protectionist barriers went up and India spent forty-five years increasingly divorced from global trade and investment. (Which only goes to show that one of the lessons you can learn from history is that history can sometimes teach you the wrong lessons.)

It was only after a world-class balance of payments crisis in 1991, when our government had to physically ship its reserves of gold to London to stand collateral for an International Monetary Fund (IMF) loan, failing which we might have defaulted on our debt, that India liberalized its economy under our then finance minister Manmohan Singh. The amount of gold possessed by the women of the household has often been seen, in Indian culture, as a guarantee of the family's honour;

surrendering the nation's gold to foreigners betokened a national humiliation that the old protectionism could not survive. Since then, India has become a poster child for globalization. It is now widely accepted across the political spectrum that our growth and prosperity would be impossible without the rest of the world.

Young Indians today are likely to spend a lot of their adult lives interacting with people who don't look, sound, dress or eat like them. Unlike their parents, they might well work for an internationally oriented company with clients, colleagues or investors from around the globe; and increasingly, they are likely to take their holidays in far-flung destinations. The world into which they will grow will be full of such opportunities. But along with such opportunities, today's young Indians may also find themselves vulnerable to threats from beyond India's borders: terrorism, of course, but also transnational crime syndicates, counterfeiters of currency, drug smugglers, child traffickers, pirates and —almost as disruptive—Internet hackers and spammers, credit-card crooks and even imported illnesses like swine flu.

Yet many Indians have not yet fully realized the importance of their government devising policies to deal with such challenges that would affect their, and one day their children's, lives. Should such policies, in an ever more interdependent world, even be called foreign? One of the reasons that foreign policy matters today is that foreign policy is no longer merely foreign: it affects people right where they live. Each of us should want our government to seize the opportunities that the twenty-first-century world provides, while managing the risks and protecting us from the threats that this world has also opened us up to.

Indians therefore have a growing stake in international developments. To put it another way, the food we grow and we eat, the air we breathe and our health, security, prosperity and quality of life are increasingly affected by what happens beyond our borders. And that means we can simply no longer afford to be indifferent about our neighbours, however

distant they may appear. Ignorance is not a shield; it is not even, any longer, an excuse.

Much of my own life has been conducted on the global stage. Born in London but brought up in India, I left the country at nineteen, studied abroad and joined the United Nations, serving it in Europe, in Southeast Asia and in the United States while helping douse humanitarian and peacekeeping fires around the world. I returned to India, more than three decades after leaving it, to play a part in its public life and contribute to developing, whether in or out of office, its vision of the world in the twenty-first century.

And yet it is not as an unreconstructed internationalist myself that I write this volume. It is true that I have had the privilege of acquiring extensive international experience, especially during those nearly three decades of service at the UN, and I value the perspective this has given me on the world. But my own focus, in the relatively short period that I have been in public life, has inevitably been on the domestic realities of our country. When I think of the world today, I am conscious of the need to think of it not as a former UN official, but from the perspective of a member of Parliament from Thiruvananthapuram, which despite being the capital of Kerala is still two-thirds a rural constituency. Though the city has long had connections to the outside world—one of its shipping harbours, Poovar, was the legendary Ophir of 'King Solomon's Mines', and it was one of the first Indian cities to enjoy air services in the 1930s, at the same time as Karachi and Mumbai—the concerns of most of its residents are largely domestic. I am obliged to remember that the bulk of my time in recent months has been spent in listening, and giving political expression, to the voices of the poor, the marginalized and the downtrodden in my district, a place emblematic in many ways of our ancient land now roaring into life in the twenty-first century.

What does looking at India's foreign policy mean from that perspective? For me, frankly, the basic task for India in international

affairs is to wield a foreign policy that enables and facilitates the domestic transformation of India. By this I mean that we must make possible the transformation of India’s economy and society through our engagement with the world, while promoting our own national values (of pluralism, democracy, social justice and secularism) within our society. What I expect from my national leaders is that they work for a global environment that is supportive of these internal priorities, an environment that would permit us to concentrate on our domestic tasks. Ensuring the country’s security, and its freedom to make its own decisions in its own interests, is the first and most obvious of those priorities; but then comes the need to maintain good relations with those nations that are essential suppliers of the investment and trade, energy and mineral resources, food supplies and water flows without which growth, development and the elimination of poverty would not be possible. India is engaged in the great adventure of bringing progress and prosperity to a billion people through a major economic transformation. At the broadest level, the objective of India’s foreign policy must be to protect that process of domestic social and economic transformation, by working for a benign environment that will ensure India’s security and bring in global support for our efforts to build and change our country for the better.

So a fisherwoman in Thiruvananthapuram may not have the slightest idea who the foreign minister of India is or care about the American withdrawal from Afghanistan, but she will know if the price of diesel for her husband’s boat or kerosene for her kitchen stove has become unaffordable; she understands international economics when a foreign trawler catches fish in waters her husband and his ancestors have fished in for generations; her livelihood is affected when fear of terrorism imposes restrictions on the movement of her community’s boats, or when fear of piracy leads a foreign vessel to shoot at one carrying her brothers. Foreign policy might seem an abstraction to people like her, but it is relevant to her life just as much as to the diplomat in the pin-striped suit

who speaks for India in global forums.

In one of his short stories, Franz Kakfa, writing of the idea of 'empire', observed:

> One of the most obscure of our institutions is that of the empire itself …. [T]he teachers of political law and history in the schools of higher learning claim to be exactly informed on these matters, and to be capable of passing on their knowledge to their students. The further one descends among the lower schools the more, naturally enough, does one find teachers' and pupils' doubts of their own knowledge vanishing, and superficial culture mounting sky-high around a few precepts that have been drilled into people's minds for centuries, precepts which, though they have lost nothing of their eternal truth, remain eternally invisible in this fog of confusion. But it is precisely this question of the empire which in my opinion the common people should be asked to answer, since after all they are the empire's final support.

Substitute the words 'foreign policy' for 'empire', and one has a distillation of the problem this book attempts, however partially, to address.

But that is clearly not the whole story. Because as India changes domestically, its changes will have an inevitable impact on the outside world. So if Indians like me contemplate the shape of the world over, say, the next twenty or twenty-five years, we would also have to ask ourselves what sort of role the transformation of India in that time span would enable our country to play on the global stage, how we engage with it and what sort of responsibilities we are prepared to assume. To the extent that we can project an Indian vision on the world, what would a 'Pax Indica' look like?



Indians can never afford to forget the condition in which we found our country at the onset of independence. From a nation that had once been among the world's richest, and which as late as 1820 accounted (in the

estimate of the late British economic historian Angus Maddison) for 23 per cent of global GDP, we had been reduced by 1947 into one of the poorest, most backward, most illiterate and diseased societies on earth. From 1900 to 1947 the rate of growth of the Indian economy was not even 1 per cent, while population grew steadily at well over 3.5 per cent. Imperial rule left a society with 16 per cent literacy, practically no domestic industry and over 90 per cent living below what today we would call the poverty line. The impoverishment of India was the starkest reality that India's nationalist leaders had to face. It was therefore natural that our domestic transformation should be the overriding priority even in the making of foreign policy.

This is where non-alignment came in. It is understandably fashionable to scoff at the concept when there is no longer a pair of superpowers to be non-aligned between, but its origins were unexceptionable. At a time of great pressure to join one of the two Cold War alliances, as so many countries had done around us, our first prime minister, Jawaharlal Nehru, chose to stay free of such entanglements in the pursuit of our enlightened self-interest. We had spent too long with foreigners deciding what was good for us internationally; we were not going to mortgage our freedom of action or decision to any alliance when we had just begun to appreciate the value of our own independence. So we stayed out of other countries' fights, and sought to judge each issue on its merits, rather than taking sides automatically or based on alliance politics.

This was not a policy of neutrality, as some, like Dwight Eisenhower's secretary of state, John Foster Dulles, wrongly called it. (Dulles went on to add, infuriatingly, that 'neutrality between good and evil is itself evil'.) We were not neutral; we did not cut ourselves off from the world or abdicate our international responsibilities. But our leaders were determined that the independence we had fought so hard for should not be compromised, that our sovereignty should be safeguarded and our right to take our own decisions should be unquestioned. Underlying

India's approach from the start was a firm belief in the importance of preserving our own strategic autonomy, which we have always seen as essential if we are to have a chance to develop India as we wish to. Indeed, one of my favourite—though undoubtedly apocryphal—stories is of Dulles saying to Nehru (in words that have become more famous in recent years on the lips of a later American leader): 'Are you with us or against us?' Nehru answered, 'Yes.' In other words, we were with the United States when we agreed with it, against it when we didn't. It's a good story, if an implausible one, because it goes to the heart of the Indian approach.

In practice, this assertive non-alignment meant that we tried, with varying degrees of success, to have good relations with all the major powers irrespective of ideology, including both the United States and the Soviet Union, and indeed both China and the Soviet Union. We built economic links wherever we could to serve our development. So we constructed the public-sector Bhilai and Bokaro steel plants with the Soviet Union when the West refused to help, but we also received PL-480 wheat and Green Revolution technology from the United States. We engaged in an active peace diplomacy on disarmament to minimize the risks of conflict as a result of the Cold War bipolar world, and on decolonization for the same reason but also in pursuit of our anti-imperial ideals. In the emerging world of free and independent (and overwhelmingly non-aligned) states, we played an active role in the institutions of global governance, notably the United Nations and the Bretton Woods institutions, to promote those very ends. Arguably all of this gave India a standing in the world out of all proportion to its true strength and unrelated to its modest economic and military power.

Taken together, these actions also sought to build the material basis for our strategic autonomy. This was when modern industry and scientific and technical higher education truly began on an effective scale in India, as did our atomic energy and space programmes, and our defence

research and production, all aimed at building autonomous national capabilities. The avoidance of external entanglements was intended both to give us the space to pursue our own development and to avoid the restraints on our freedom of action that alliance commitments might have engendered.

It is easy to forget the constraints within which this policy operated. The bipolar world of those days was one of uncompromising superpowers. The means available to us in our foreign policy were extremely limited. And we lacked the traditional sources of international power in terms of military capability, raw materials or geostrategic leverage. But we marched to the tune of our own drummer, even if it meant marching alone.

The results of these policies were quite remarkable and helped lay the foundations of our diversified industrial base, our platform of excellence in higher education, our independent strategic capabilities, and ultimately of the over 6 per cent a year GDP growth that we have enjoyed for nearly three decades, since Rajiv Gandhi became prime minister of India, and the nearly 8 per cent growth of the last ten years. But we rarely portrayed it as such in the first five decades of our independence. For even if our foreign policy had been motivated by the challenge of development, its articulation was driven by the nation's historical experience. The struggle for freedom against British imperialism dictated some of our political sympathies in favour of other anti-colonial struggles elsewhere in the world. Our reaction to the experience of two world wars added to our determination not to get entangled in other countries' conflicts, and to work to end those wherever we could. This bias in favour of peace was underscored by the non-violent nature of our own independence movement, which predisposed us to a certain moral conviction that our ways were preferable to those that resorted to violence. We therefore expressed, and acted in accordance with, what former foreign secretary J.N. Dixit called a 'commitment to co-operation rather than

confrontation’. This, allied to a newly independent land’s pride in its own civilization, led to India pronouncing itself on world affairs as if from a moral high ground, not a posture guaranteed to win friends and influence other (supposedly morally inferior) nations. In a phrase typical of this attitude, Dixit (a fine and highly respected diplomat) wrote of India’s ‘catalytic role … in establishing a moral and just world order ensuring peace and co-operation all over the world’. Such claims for a moral underpinning to India’s foreign policy did not always resonate well with other countries, which assumed that New Delhi was engaged in the exercise of promoting and defending its national interests, just as they were. It led to criticisms of Indian hypocrisy and sanctimoniousness that our diplomats never entirely lived down. When defeat in the war with China in 1962 seemed to expose the hollowness of India’s claims to global leadership, the country’s standing went down in the eyes of the world—this time also disproportionately, given India’s real worth and potential.

Ironically we might have won much more praise for honestly justifying our foreign policy in more realistic terms. Non-alignment was both a way of safeguarding a sovereignty long fought for and recently won and a way of avoiding compromising it through the compulsions of bloc politics. Nonetheless India was much more open to the West in the early years than hindsight suggests; in many ways, though, it was driven away by Western condescension towards what the United States and the United Kingdom largely saw as Indian pretensions to an equality in world affairs that it did not deserve, and the West’s leanings towards Islamic Pakistan, seen as a doughty ally against godless communism. India’s domestic economic preference for a ‘socialist pattern of society’ with bureaucrats, rather than businessmen, on the ‘commanding heights’ of the Indian economy understandably found little favour in the West; the US Congress once passed a resolution refusing to help India construct a public-sector steel plant since it was ‘not the United States’ business to

help build socialism in India'. The West was noticeably sympathetic to Pakistan over Kashmir, an issue on which India was supported by the Soviet Union, which frequently vetoed anti-Indian resolutions on the subject at the UN Security Council. This, coupled with Moscow's eager bear hug, gave Indian non-alignment a distinctly pro-Soviet coloration over time, exemplified by the 1971 treaty of peace, friendship and cooperation that seemed to signal the death knell of India's equidistance from the superpowers. That treaty was occasioned by the Bangladesh crisis, the largest refugee movement in human history (10 million Bengalis) flooding into India, and a sense in New Delhi of the inevitability of war to resolve it; the fear was of a possible two-front war with both China and Pakistan, which the treaty sought to dispel. India was thus using the USSR to forestall China, not the West. All this suggests a degree of compulsion about India's basic choices; in a very fundamental sense, it was non-aligned because, in the global circumstances, it could be nothing else.

There are, of course, those who disagree with this view, and who suggest that alliance with the West from the very beginning might well have been a better choice, permitting India greater opportunities for higher-trajectory economic growth (à la South Korea or Thailand, which made such a choice) and global political influence. It would also have accorded with India's position as a democracy, and placed New Delhi on the 'winning side' at the end of the Cold War. As a teenage supporter of the Swatantra Party, I was inclined towards this view myself, but found I was in a minuscule minority; there is no doubt that many of today's advocates who critique Nehru for not taking the 'winning side' speak with the benefit of 20/20 hindsight. Barring very few (essentially the supporters of the Swatantra Party and some members of the Bharatiya Jana Sangh), pro-Western leanings found few adherents in postcolonial India: the overwhelming intellectual climate of the 1950s and 1960s was in favour of a Nehruvian vision of prudent equidistance. Of course,

India's contrasting stands in 1956 on the Suez crisis and the USSR's invasion of Hungary exposed our non-alignment to be somewhat partisan, reflecting a leftward leaning that was a consequence of both our historical legacy and our need to put strategic daylight between ourselves and our former rulers. But non-alignment reflected a broad national consensus, and it is difficult to deny that the alternative of alignment with the West could have stunted India's influence on the world stage, and its decades of leadership of the developing world, which gave it a stature that no mere subordinate ally of a superpower would have enjoyed.

There were concrete benefits too. On the basis of what was achieved in the first forty years after independence, it was possible for Indian foreign policy to use the favourable international situation after 1991 to take major steps in furthering our basic objectives. The reform and opening up of our economy that year coincided with the end of the bipolar Cold War world. In the following decade and a half, the world economy and world trade grew at a pace that was unprecedented in human history, creating favourable external conditions for India's growth. And India was well placed to take advantage of the situation, thanks in no small part to a foreign policy which enabled us to work with all the major powers without exception—and to get help (if I may be allowed to mangle Marx) from each according to their capacity, to us according to our need.

This prompted an astute student of Indian foreign policy, the Canadian diplomat and scholar David Malone, whose 2011 book *Does the Elephant Dance? Contemporary Indian Foreign Policy* is perhaps the most impressive and substantial recent volume on the subject, to observe:

> In stark contrast to the Nehruvian years during which India achieved considerable status in the international sphere with barely any achievements on the domestic front, chiefly by taking the moral high ground in foreign affairs, post-1990 India was no longer as convinced of its moral uniqueness and began to think of itself as a nation like several others in the quest of greater power. This favoured the normalization of traditionally antagonistic relationships with neighbouring countries, a greater commitment to

> international institutions that might legitimize its emerging power status, a positive approach to relations with the world's remaining superpower, and, importantly, greater focus on national defence, including in the nuclear sphere.

The India of the second decade of the twenty-first century has made significant strides from the overestimated India of the 1950s and the underestimated India of the 1960s. Since 1947 it has raised literacy from 16 per cent to 74 per cent, reduced child mortality and increased life expectancy (from 26 to 72), and raised the rate of growth of the Indian economy from below 1 per cent to over 8 per cent, while reducing the percentage of the population living below the poverty line from some 90 per cent to just over 30 per cent. Foreign direct investment (FDI) into India is illustrative of our changing orientation to the world: from a cumulative total of $15.4 billion in the entire decade of the 1990s to $37.7 billion in 2009–10 alone (though this has since dropped). India's share of global gross domestic product (GDP) has doubled from 2.5 per cent in 1980 to 5.5 per cent in 2010; its share in world merchandise exports increased from 0.4 per cent in 1980 to 1.5 per cent in 2010 and in world service exports from 0.7 per cent to 3.3 per cent. While figures do not always tell the complete story, the India that punched above its weight in the 1950s and below its undoubted potential in the 1960s is now poised to become the world's third largest economy in purchasing power parity (PPP) terms in 2012, according to the IMF. It is a country whose real and visible weight counts in the world.

Our foreign policy today has also outgrown much of its earlier post-colonial rhetoric. In the past, India's policy pronouncements on the world were often justified on the grounds that our position was right in principle rather than in practice, that they were correct more than they were useful. Foreign policy was seen by its practitioners, starting with Nehru, as an end in itself, unrelated to the more mundane economic needs of the nation. Today, India's foreign policy is much more overtly

focused on the task of facilitating India's economic growth in order to bring our billion-strong masses into the twenty-first century. We are open about our need to cultivate good relations with countries that can assist us in that process—trading partners and investors in our economy; suppliers of energy resources and assurers of food security; and partners in our fundamental objective of keeping our people safe, secure and free to develop their human and economic potential without external interference or threats. We need to ensure reliable and multiple sources of these resources, predicated upon good relations with the countries that can provide them and a peaceful environment in which our development and growth can flourish. These are all pragmatic underpinnings of our foreign policy—one aiming to shore up the key domestic objective of transforming our own society and economy.

Since foreign policy is developed and conducted by the institutions of the state, its conception and articulation reflects the conditions that the state finds itself in, mediated through the state's orchestration of the aspirations of the people it seeks to represent. This means that India's geography, its political culture and environment, its domestic institutions and federal structure, all play a vital role in the making of its foreign policy. Not surprisingly, different constituents of India pursue their different interests, impacting foreign policy sometimes directly and sometimes indirectly, as we discuss in a later chapter on the influence of domestic policies. As the state evolves and the people's attitudes change, foreign policy shifts. This has already become apparent since 1991, when India, in the commentator C. Raja Mohan's formulation, 'crossed the Rubicon' from its traditional foreign policy to its present one.

Malone, for one, saw this as a fundamental change in Indian foreign policy making: 'Indian foreign policy in the twenty-first century is characterized by a marked shift towards pragmatism and a willingness to do business with all,' he observed, 'resembling in none of its important specifics that of Indira Gandhi in the mid-1970s, and even less that of her

father in the 1950s and 1960s.’

Yet it is not merely a self-centred, economic-determinist approach to the world that dominates Indian thinking. Nehru’s old globalist orientation is still hard-wired into the consciousness of policy-makers. The main difference is that the post-colonial chip has fallen off our shoulder; New Delhi can now afford to look at the globe from a position of authority. Today we can take our sovereignty for granted; we know no one would dare threaten it. Our strategic autonomy is a fact of life and no longer something that has to be fought for. We are now in a position to graduate from a focus on our own sovereign autonomy to exercising a vision of responsibility on the world stage, from a post-colonial concern with self-protection to a new role participating in the making of global rules and even playing a role in imposing them.

India has a self-evident interest in helping to create an enabling international environment for our own national objectives. International trade has an increasingly direct bearing on our national well-being; over 30 per cent of our GDP is now accounted for by our imports and exports, and our growth and prosperity depend on continued imports of fertilizer, energy, metals and capital, as well as continued receptivity to Indian migrants (in 2010 India was the second largest emigrant nation of the world with 11.4 million migrants and the top remittance receiving nation in the world with $55 billion in inward remittances). It obviously serves our national purposes to expend our energies and resources in working to ensure a peaceful and equitable global order, to preserve the freedom of the seas and open sea lanes of communication, to explore outer space and cyberspace in ways that help all of humanity—all the ‘global public goods’ that international theorists theorize about, but which have a tangible impact on our everyday lives.

One tangible example of India’s new-found willingness to engage the outside world—specifically, the foreign private sector—in our domestic development lies in the way we have developed our telecommunications

sector, perhaps the single most remarkable example of India's recent transformation through liberalization. Foreign companies, technology and expertise helped build India's initial wireless networks between 1995 and 2002. The initial networks were built by Indian companies in joint ventures with global multinational corporations such as BT, AT&T, Telstra, US West, Swiss PTT and Bell Canada; a large part of the technology was sourced from the European firms Nokia, Siemens, Alcatel-Lucent and Ericsson, while US companies like Cisco, HP and IBM remain prominent providers of the telecom technology which powers India's networks. Realizing that the interests of India's citizens in large-scale and widespread availability of telecommunications needed an international approach, the government has encouraged foreign technology, and the size of the Indian market has helped lower costs both for handsets and infrastructure, with some of the lowest tariffs for mobile services anywhere in the world. The result is that today we have nearly 900 million SIM cards in circulation and are poised to overtake China in 2012 to become the world's largest telecom market—something that the old, protected and inward-focused Indian telecom system could never have aspired to. International engagement has empowered the ordinary Indian and changed his daily life.

Internationalism, as Nehru demonstrated in his speech at that first moment of independence, has always been a vital part of our national DNA. It was also typical of Nehru's internationalist vision that his words, uttered sixty-four years ago, were not only profoundly right, but could be spoken today without the change of a comma. And yet we pursue our internationalism today in a world where all the unifying forces of interdependence—satellite communications, easy jet travel, the Internet, the ability to move capital with the click of a mouse in an increasingly globalized world—are challenged by the destructive forces of division that are equally global. The terrorists of 26/11 used the instruments of globalization and convergence—the ease of

communication, GPS and mobile telephone technology, five-star hotels frequented by the transnational business elite, and so on—as instruments for their fanatical agenda. Similarly, on 9/11 in New York, rather than as forces to bring the world closer together, the terrorists also used similar tools—crashing the jet aircraft into those towers emblematic of global capitalism, while the doomed victims of the planes made frantic mobile phone calls to their loved ones.

In other words, the very forces that, through globalization, are pulling us together seem at the same time, through international terrorism, to be driving us apart. The terrible notion of a 'clash of civilizations' has entered our discourse, as the often benign forces of religion, culture and society have become causes of conflict, rather than of succour, in many places.

Both 9/11 and 26/11 were grotesque reflections of this paradoxical phenomenon of convergence and disruption, unity and division, in today's world. For an India striding confidently into the twenty-first century, it is not enough to navigate our way cautiously between these forces. We must work to build a world which accentuates convergence and prevents the forces of disruption from succeeding. This is in our national interest; it is also an essential aspect of the responsibility we must exercise if we are to live up to being worthy of the kind of nation we are becoming.

India has been directly affected by both global trends, of convergence and disruption. On the one hand, we are a far more globalized economy than most, and more so than we ever were in the days when we raised the protectionist barriers to shield us while we developed our autonomous national capabilities. We are today more connected through trade and travel—much more than ever before—with the international system, and trade and foreign investment account for a steadily increasing share of our GDP. Indian firms have become multinationals, investing abroad to a level that in some recent years has exceeded the FDI coming into India.

Indians work everywhere, and have acquired a reputation for mathematical, computing and engineering skills that are prized by international employers. Foreign companies are hiring Indians in India to do research and development for their globally branded products; GE and Phillips, for instance, employ more researchers in India than in their worldwide headquarters. Our relationship with each of the major powers has grown rapidly, and China is now our single largest trading partner. India's soft power stretches across the globe, with our popular cinema in the vanguard, influencing the hearts and minds of foreigners almost everywhere. Our political relationships have also been strengthened. With the United States, it was possible for us to undertake the civil nuclear initiative, removing the limitations that had been placed on us after the 1974 and 1998 nuclear tests. Today we can admit—indeed, we can boast—that our links with the world are one reason for the highest-ever growth rates that we enjoyed between 2003 and 2008.

But the external situation has been changing considerably. Politically, the world is entering a period of transition from dominance by a single power to a more balanced distribution of power in the international system, though this still falls short of true multi-polarity. India had barely adjusted to the reality of a unipolar world when the United States' seemingly unchallengeable dominance of the world order began to fade in the first decade of the twenty-first century. New powers are rising, new alliances are forming, and we are witnessing the rise of a new global power in China, the only visible contender for the superpower status now enjoyed singularly by the United States. Challenges in India's immediate neighbourhood, particularly in Pakistan and Afghanistan, but also in Bangladesh, Sri Lanka and Nepal, have made us conscious that our development is vulnerable to the impact of forces and events beyond our borders.

As the world transitions to something closer to real multi-polarity, we should realize that the existing power holders can hardly be expected to



government. Among the significant causes of rising prices in India is the massive injection of liquidity by the developed Western countries into the world economy to promote their own recovery from the global economic crisis. This has been magnified by a rise in oil and commodity prices, itself partly caused by the availability of more capital but also compounded by the uncertain political climate in a Middle East torn by 'jasmine revolutions' and mounting civil strife. To suggest that domestic economics can be pursued without reference to foreign policy is no longer a serious proposition.

So while India's strategic goals must remain the same—to enable the domestic transformation of India by accelerating our growth, preserving our strategic autonomy, protecting our people and responsibly helping shape the world—achieving these goals in the present economic climate will be a challenge to our skill and ingenuity. As protectionism grows and closes markets, and as credit is sucked back into developed economies for their own stimulus and recovery, we will have to rely much more on growing our own domestic market. The world of today is not going to provide as propitious an environment for India's growth and prosperity as the world of two decades ago did, when we first liberalized. This brings me right back to the underlying theme of this book: the importance of using our international policies to serve our fundamental objective of pulling poor people in India out of poverty and into the twenty-first-century globalized economic system.

What shape should our foreign policy take to enable us to cope with such a world? Decades ago, the scholar Richard A. Falk summarized six broad criteria for evaluating foreign policy in a democracy, which seem broadly relevant to our challenge even today. A country's foreign policy should, first of all, be a desirable one—approved means (means approved by the general public) must be used in pursuit of approved ends (goals approved by national institutions like Parliament), with the bases of approval made explicitly. It should be effective—those approved means







inclusive multipolar world system?

The recent, indeed ongoing, global financial crisis underlines that the next twenty years of transition to a new system are fraught with risks. Global policy-makers will have to cope with a growing demand for multilateral cooperation when the international system will be stressed by the incomplete transition from the old to the new order. And the new players will not want to cooperate under the old rules.

The multiplicity of actors on the international scene could, if properly accommodated, add strength to our ageing post–Second World War institutions, or they could fragment the international system and reduce international cooperation. Our era is characterized by common vulnerabilities among potential rivals—the United States and China, for instance, with one a vital market for the other and the latter a major debtor of the former—as well as growing interdependencies among former enemies, such as the Russian supply of oil and gas to West Europe. Countries like India have no desire to challenge the international system as did other rising powers like Germany and Japan in the nineteenth and twentieth centuries, but wish to be given a place at the global high table. Without that, they would be unlikely to volunteer to share the primary burden for dealing with such issues as terrorism, climate change, proliferation and energy security, which concern all of us.

These issues will remain key concerns even as resource issues move up on the international agenda. The old divides between East and West, North and South, capitalist and communist, developed and developing are becoming largely irrelevant; the twenty-first-century world is not one of simple binaries. Failing states, terrorist groups, transnational Islamist movements, non-governmental organizations (NGOs) and civil society have also all begun to impact the choices of governments. Ours is an era where 'non-state actors' can nearly bring two armies to war. Terrorism is the tragic blight of our times, but far too much ink has been expended on









CHAPTER TWO

Brother Enemy

Nearly six and a half decades after independence and Partition, Pakistan remains India's biggest foreign policy challenge.

Pakistan was hacked off the stooped shoulders of India by the departing British in 1947 as a homeland for India's Muslims, but (at least until very recently, if one can extrapolate from the two countries' population growth trends) more Muslims have remained in India than live in Pakistan. Pakistan's relations with India have ever since been bedevilled by a festering dispute over the divided territory of Kashmir, India's only Muslim-majority state. Decades of open conflict and simmering hostility, punctuated by spasms of bonhomie that always seem to sputter out into recrimination, have characterized a relationship that has circumscribed India's options and affected its strategic choices. The knowledge that our nearest neighbour, populated as it is by a people of a broadly similar ethnic mix and cultural heritage, defines itself in opposition to India and exercises its diplomatic and military energies principally to thwart and undermine us has inevitably coloured India's actions and calculations on the regional and global stage. The resort by







its residents was particularly sad, since India is justifiably proud of the fact that it is the only country in the world with a Jewish diaspora going back 2500 years where there has never been a single instance of anti-Semitism (except when the Portuguese came to inflict it in the sixteenth century). This is the first time that it has been unsafe to be Jewish in India—one more proof that the terrorists were not Indian, since Indian Muslims have never had any conflict with Indian Jews, but that they were pursuing a foreign agenda. Indeed, this was clearly not just an attack on India; the terrorists were also taking on the 'Jews and crusaders' of Al Qaeda lore. With this tragedy, India became the theatre of action for a global battle.

After the killings, the platitudes flowed like blood. Terrorism is unacceptable; the terrorists are cowards; the world stands united in unreserved condemnation of this latest atrocity, and so mind-numbingly on. Commentators in America tripped over themselves to pronounce the night and day of carnage India's 9/11. But India has endured many attempted 9/11s, notably a ferocious assault on its Parliament in December 2001 that nearly led to all-out war against the assailants' sponsors, Pakistan. In 2008 alone, terrorist bombs had taken lives in Jaipur, in Ahmedabad, in Delhi and (in an eerie dress rehearsal for the effectiveness of synchronicity) several different places on one searing day in Assam. Jaipur is the lodestar of Indian tourism to Rajasthan; Ahmedabad is the primary city of Gujarat, the state that is projected by many as a poster child for India's development, with a local GDP growth rate of 14 per cent; Delhi is the nation's political capital and India's window to the world; Assam was logistically convenient for terrorists from across a porous border. Mumbai combined all the four elements of its precursors: by attacking it, the terrorists hit India's economy, its tourism and its internationalism, and they took advantage of the city's openness to the world.

So the terrorists hit multiple targets in Mumbai, both literally and







disproportionate share of Pakistan's national assets, as brilliantly spelled out in Ayesha Siddiqa's book *Military Inc.*). The central problem bedevilling the relationship between the two subcontinental neighbours is not, as Pakistani propagandists like to suggest, Kashmir, but rather the nature of the Pakistani state itself—specifically, the stranglehold over Pakistan of the world's most lavishly funded military (in terms of percentage of national resources and GDP consumed by any army on the planet). To paraphrase Voltaire on Prussia, in India, the state has an army; in Pakistan, the army has a state. Unlike in India, one does not join the army in Pakistan to defend the country; one joins the army to run the country. The military has ruled Pakistan directly for a majority of the years of its existence, and indirectly for most of the rest. No elected civilian government has been allowed to complete its full term, with the exception of Zulfikar Ali Bhutto, initially appointed to power by the outgoing military junta, later elected in his own right and overthrown by his generals at his first attempt at re-election. The army lays down the 'red lines' no civilian leader—and not even the 'free' media—dare cross. In return, the military establishment enjoys privileges unthinkable in India. In addition, serving and retired military officials run army-controlled shopping malls, petrol stations, real-estate ventures, import–export enterprises, and even universities and think tanks. Since the only way to justify this disproportionate dominance of Pakistani state and society is to preserve the myth of an 'Indian threat', the Pakistani military will, many in India believe, continue to want to keep the pot boiling, even if Kashmir were to be handed over to them on a silver salver with a white ribbon tied around it. In the analysis of the Pakistani commentator Cyril Almeida, the army is not strategically interested in peace; it may not want war (which general relishes dying?) but it does not want peace either.

In 2008, just before the terrorist assault, the newly elected civilian government in Islamabad had shown every sign of wanting to move







results is required. It has not been much in evidence in recent years.

Despite its denials and its disingenuous calls for more proof—all of which had the effect, whether by accident or design, of buying time for the perpetrators to cover their tracks, to husband their resources and to reinvent their identities—Pakistan has never been more isolated in the international community. It is now universally accepted that the massacre in Mumbai was planned in and directed from Pakistani territory, and the inability of the Pakistani government to prevent its soil from being used to mount attacks on another state make a mockery of its pretensions to sovereignty. No one wishes to undermine President Zardari's civilian government, which remains the one hope for something approaching a moderate, secularist regime in that country. But it is an understatement to point out that Zardari does not enjoy the unstinting support of his own security establishment. And his weakness makes it less and less useful for outsiders to shore him up.

Before the attacks on Mumbai, the United States had been promoting a reduction of India–Pakistan tensions, in the hope—openly voiced by then president-elect Barack Obama (and repeated by him in office)—that this would free Pakistan to conduct more effective counterinsurgency operations against the Taliban and Al Qaeda in its north-western tribal areas. Pakistan has six times the number of troops deployed against India than it has deployed on its western border to fight the Taliban and Al Qaeda. Obama therefore called for promoting a rapprochement between India and Pakistan as a key objective of US foreign policy in the region. Peaceful relations with India would have permitted more resources to be shifted from east to west. Instead the perennial danger is of the Pakistani military, despite India's restraint, moving in the other direction. Washington fears that India–Pakistan tension will make its own task in Afghanistan more difficult. But for a long time, Washington found few takers in India for continuing a peace process with a government that did not appear to control significant elements of its own military. Now that























in full measure.

For the past three years, under sustained American pressure, the Pakistani Army has begun, however selectively, to take on the challenge of fighting some terrorist groups—not the ones lovingly nurtured by the ISI to assault India, but the ones who have escaped the ISI leadership's control and turned on Pakistan's own military institutions. Indians, for the most part, feel a great deal of solidarity with the Pakistani people. It is striking that no one in any official position in India has, in any way, given vent to Schad enfreude, or implied that the violence assailing Pakistan itself is a case of Pakistani chickens coming home to roost.

But the unpalatable fact remains that what Pakistan is suffering from today is the direct result of a deliberate policy of inciting, financing, training and equipping militants and jihadis over twenty years as an instrument of state policy. As Dr Frankenstein discovered when he built his monster, it is impossible to control the monster once it's built.

Attempts by glibly sophisticated Pakistani spokesmen to portray themselves as fellow victims of terror—indeed, to go so far as to compare the number of deaths suffered by Pakistan in its war against terrorism on its own soil with those inflicted upon India—seek to obscure the fundamental difference between the two situations. Pakistanis are not suffering death and destruction from terrorists trained in India. No one travelled from India to attack the Marriott Hotel in Islamabad or the naval base at Mehran. Indians, however, have suffered death and destruction from terrorists trained in and dispatched from Pakistan with the complicity—and some might argue, more—of elements of the Pakistani security forces and establishment. Pakistan has to cauterize a cancer in its own midst, but a cancer that was implanted by itself and its own institutions. And this will only happen if they eliminate the warped thinking, among powerful elements in Islamabad, that a terrorist who sets off a bomb at the Marriott in Islamabad is a bad terrorist whereas one who sets off a bomb at the Taj in Mumbai is a good terrorist. The







definitively on whether and how that spirit is translating into genuine progress on the ground.

The argument against dialogue with Pakistan is strongly held and passionately argued by many I respect. And yet I believe these critics are wrong. Not just because, as I have explained above, it is clear that we *are* doing the right thing, but also because it is time the critics too understood that we *do* have other options.

We are doing the right thing, because to say that we will not talk as long as there is terror is essentially to give the terrorists a veto over our own diplomatic choices. For talking can achieve constructive results. It can identify and narrow the differences between our two countries on those issues that can be dealt with, while keeping the spirit of dialogue (and implicitly of compromise) alive. At the same time, what is needed is sustained pressure—especially through US military and intelligence sources upon their Pakistani counterparts—to rein in the merchants of terror.

And yet, the extent of possible US pressure remains constrained by Afghanistan. For a while after 26/11 I had hoped that this time the terrorists had gone too far. The murderers of Mumbai had, after all, made powerful enemies by killing American, French and Israeli citizens as well as Indian ones. While previous bomb blasts took only Indian lives, it was easier for the rest of the world to regard terrorism in India as an Indian problem. Mumbai, I reasoned, had internationalized the issue. As they dominated the world's media for three gruesome days, the killers achieved a startling success for their cause, one that must have shaken anti-terrorist experts around the world, who now realize how easy it would be for ten men unafraid of death to hold any city in the world hostage. After all, how many hotels, schools, airports, markets or cinema theatres can you turn into fortifications everywhere in the world? But they also ensured that India will no longer be alone in its efforts to stamp out this scourge.







the role of international aid for development should not be underestimated, since Pakistan's economy is virtually bankrupt. This could mean that the influence of the United States in the IMF, and the European Union in providing development assistance, could prove considerable, should it be exercised in the direction of promoting more responsible conduct by the Pakistani state. This is more than a pious hope: as David Malone puts it, 'Pakistan's weapons suppliers and financiers are hard to sideline, their intelligence findings hard to duck, and the incentives—positive and negative—that they can offer [could prove] impossible for Pakistan to ignore.'

In other words, the world is not bereft of options; we do not have to reconcile ourselves to slipping back to business as usual in Pakistan. For the fact is that, on Pakistan's reluctance to take decisive action against the terrorism operating on its soil, we do have some credible options. The most significant of these lies in the United Nations, whose Security Council resolutions against terror were adopted under Chapter VII of the UN Charter and are binding on all member states, including Pakistan. The UN has established thirteen international conventions against terror, but years of negotiations on a draft pushed by India and the United States to adopt a comprehensive convention on terrorism have foundered on the objections of Islamic states, which have wanted to include strictures against 'state terrorism' and exemptions for 'national liberation movements'.

However, legal instruments are of limited utility against those who have contempt for international law. More effective could be two mechanisms created by the Security Council. One, the Sanctions Committee established under resolution 1267, has already been pressed into service in December 2008 to proscribe Jamaat-ud-Dawa, with scant impact on Pakistan. The other is resolution 1373, adopted immediately after 9/11, which imposes, under Chapter VII of the UN Charter (which governs enforcement measures), binding requirements on all member























The British political scientist W.H. Morris-Jones once famously observed that the only political institutions in Pakistan are the coup and the mob. Neither offers propitious grounds for believing that an enduring democracy is around the corner.

The elections that created Pakistan's current civilian government saw Benazir's party benefiting from a sympathy vote after her killing, but in the absence of a charismatic leader, it was inevitably obliged to come to an accommodation with the generals. Despite widespread anger at Musharraf's failure to protect Benazir, his successor, General Kayani, determines how far the civilian government can go on all the issues that matter to the country, and his personal authority has been confirmed by a three-year extension of his tenure beyond the scheduled retirement age. Kayani, a former head of the ISI, knows how useful the Islamist militants are to his military goals, but he is also conscious that his men have lost control of many of the more wild-eyed elements they had previously encouraged and funded. The result is a particularly delicate version of running with the hare and hunting with the hounds. The Islamists, who have never won more than 10 per cent of the popular vote nationally, fared even worse electorally in the aftermath of Benazir's killing; most people assume her killers were religious fundamentalists. The Islamist sympathizers in the Pakistani military, of whom there are many in key positions (notably in the ISI), are also on the defensive in the face of popular fury at Benazir's murder and the assaults on Pakistani military installations (IGHQ Rawalpindi and the naval base in Mehran, near Karachi) by Islamist fundamentalists. The great danger in Pakistan has always lain in the risk of a mullah–military coalition. The death of Benazir and the events in its aftermath have made that less likely for now, and that may remain her most significant legacy.

International affairs all too often seems a weighty subject, full of







angrily in social media forums, were sharp. Inevitably, I was subjected to the usual bouts of invective and abuse that have so cheapened discourse in the age of the Internet, where the refuge provided by anonymity has encouraged a level of vileness that few would permit themselves to express face-to-face. But those need not detain us here. Far more interesting and worthy of attention were three columns in the mainstream Pakistani media responding to mine. By broadening and deepening the terms of the debate beyond the Taseer piece, they made my original column worth writing.

The tenor of the three articles (none of whose authors I had met by then or known personally) varied. The most liberal of the trio, Marvi Sirmed, in her column in the *Daily Times*, began by clarifying that she had actually no disagreement with the central thesis of Aatish Taseer's article (on the various misdeeds of the Pakistani military establishment), but had rejected the author's assertion that his father, Salman Taseer, the late Governor of Pakistani Punjab, 'hated' India. She also objected to Aatish's claim that Pakistan was the 'dream of a poet' (Muhammad Iqbal, who first wrote of a Muslim homeland within India), though this was not an issue I had dwelt on in my own piece. And she ended with two impressive points I had no difficulty acknowledging: that I should be more conscious of the diversity of the Pakistani liberal community, and that Ms Sirmed saw herself as a proud Pakistani whose love of her country did not oblige her to hate India. Marvi Sirmed is the kind of intelligent, broad-minded Pakistani most Indians would have no difficulty engaging with, and I tipped my (metaphorical) Gandhi cap to her.

Ejaz Haider, whose riposte to Aatish Taseer had sparked my initial piece, was less accommodating of my core argument, seeing it as an exercise in 'considered perception-formation and reinforcement'. By this he seemed to imply that my article was part of a devious Indian conspiracy to affect perceptions of his country negatively; in fact he







Jehangir Pocha, for moderately raising some real questions, when his job had apparently been intended to be to orchestrate a paean of pious homilies to peace and brotherhood. So when I took the floor late in the next morning's session, I had been fairly warned. But after listening to several bromides from parliamentarians of both nationalities, I felt a dose of candour was necessary. So I pointed out that there were some genuine obstacles to be overcome if the peace and love we were all affirming was in fact to take root, rather than briefly blossom in the illusory sunshine of Track II. And those obstacles all lay in Pakistan.

First, India has long been in favour of placing the Kashmir dispute on the back burner and promoting trade, travel and the rest; it is Pakistan that has taken the view that there cannot be normal relations with India until Kashmir is settled, on terms acceptable to Islamabad. So inasmuch as there is hostility that such dialogues attempt to overcome, the hostility starts with Pakistan, which wants a change in the territorial status quo, and not with India, which is perfectly content to leave things as they are. Unless the Pakistani MPs present were willing to advocate a policy of across-the-board engagement with India despite the lack of a solution to the Kashmir dispute, our words would be just so much hot air.

One example of this asymmetry is that India had given Pakistan most favoured nation (MFN) trading status as far back as 1995, and Pakistan has still not reciprocated. It remains the only example on the entire planet of a one-sided MFN; no other country has ever refused to reciprocate an offer of MFN trading status from a neighbour. (In 2011, Pakistan announced it would finally extend MFN status to India, but the enabling legislation and the necessary regulations were yet to be written twelve months after the announcement.) India continues to show its good faith time after time, persisting in the peace talks even after the Kabul embassy bombing, offering aid after natural disasters in Pakistan (in one egregious instance, aid of $25 million offered by India in the wake of severe floods in Pakistan was initially rejected by Islamabad, which







that is Islamabad's civilian–military relationship, some of our messaging will get through to those who need to hear it.

As these words are written in March of 2012, it does seem that a subtle shift may be occurring in the atmospherics surrounding one of the most intractable problems of recent years, the dispute between India and Pakistan over Kashmir. The Pakistani military may have once thought that the fomenting of militancy and terrorism in India was an effective strategy of hurting the enemy on the cheap, but civilians in Islamabad have increasingly begun to realize (and to express the view) that Pakistan may have become the biggest victim of its own Kashmir policy. Its legacy has left the country with a distorted polity where the military has conducted four coups and is used to calling the shots behind the scenes; a collapsing economy, high unemployment and raging inflation; and a large number of unemployed and undereducated young men radicalized by years of Islamist propaganda against the Indian infidel. The result is a combustible mixture that threatens to consume the Pakistani state, with terrorists once sponsored by Islamabad now turning on their erstwhile patrons.

Leading members of the Pakistani establishment now say they are beginning to see this too. On a recent visit to Islamabad and Lahore, I sensed a widespread desire to put the dispute on the back burner and explore avenues of mutually beneficial cooperation with India. This impression emerged from private conversations, but Pakistanis are saying it openly too. In a recent interview, the Pakistani politician and religious leader Maulana Fazlur Rehman spoke frankly about Kashmir: 'Obviously, we are in favour of a political solution … Things have changed so much. *Now the concept of winning Kashmir has taken a back seat to the urgency of saving Pakistan*' (emphasis added).

Younger Pakistanis are going even further. The columnist Yaqoob Khan Bangash, for instance, openly derided the hallowed Pakistani argument that, as Muslims, Indian Kashmiris would want to join







India’s offer of MFN status in trade relations should be seized upon by India taking concrete steps to reduce the non-tariff barriers relating to security inspections, lab checks and clearances that have limited the extent of Pakistani exports to our country. India’s financial services industry and its software professionals could also offer themselves to Pakistani clients, giving themselves a next-door market and providing services that Pakistan could use to develop its own economy. The education sector offers obvious opportunities, especially in these days of videoconferencing, which could allow students from one country to listen to lectures delivered in another. The prospects for cooperation in such areas as agriculture or the development of wind energy are bright. These are all ‘easy wins’ waiting to be pursued at the first opportunity.

The big questions—the Kashmir dispute and Pakistan’s use of terrorism as an instrument of policy—will require a great deal more groundwork and constructive, step-by-step action for progress to be made. Afghanistan is an area of contention that, given a new climate of peace, could become an area for cooperation rather than a site of proxy conflict. By showing accommodativeness, sensitivity, foresight and pragmatic generosity in all the ways suggested above, India might be able to turn the bilateral narrative away from the logic of intractable hostility in which both countries have been mired for too long. Once that happens, it may even be possible to look beyond each other to economic cooperation with third countries: the Iran–Pakistan–India pipeline, for instance, or overland access for Indian goods through Pakistan and Afghanistan to Central Asia, neither of which looks feasible as long as Pakistan remains hostile territory.

The elephant in the room remains the Pakistani Army. Until the military men are convinced that peace with India is in their self-interest, they will remain the biggest obstacles to it. One hope may lie in the extensive reach of the Pakistani military apparatus and its multiple business and commercial interests. Perhaps India could encourage its







scale comparable to 26/11, with similar proof of Pakistani complicity—comparable restraint may be impossible, and all bets will be off. No democratic government can be seen to be sitting impotently while a neighbour assaults its society with impunity. This remains the greatest danger facing the subcontinent—of a feckless Pakistan either condoning or conniving in another major attack, and a beleaguered Indian government feeling the snapping of the last straw and launching retaliation. It is the duty of responsible people on both sides of the border to work to prevent this. There is hope for peace, and a determination in New Delhi to pursue it. But the primary onus for confining, if not destroying, the deadly virus that it has long incubated must rest on the Pakistani state. If it seizes that responsibility, it will not find India lacking.

Former prime minister Atal Bihari Vajpayee had once declared that you can change history but not geography. He was wrong: history, once it has occurred, cannot be changed. The time has come, instead, for the victims of geography to *make* history.







which a formerly imprisoned dissident, Mohammed Nasheed, was seeking to defeat the long-time ruler Abdul Gayoom. The cliché that India lives in a tough and tumultuous neighbourhood could not have seemed truer.

And yet, in the last couple of years, there has been progress almost everywhere. Nepal's civil war is over and a coalition government holds the reins. Bhutan's political experiment, of a managed transition to multi-party democracy under a constitutional monarch, is going remarkably well. Bangladesh has held a free election and restored civilian democratic government. In Sri Lanka the military victory over the murderous forces of the Liberation Tigers of Tamil Eelam (LTTE) was followed by elections and notably conciliatory language by the triumphant, but not overly triumphalist, government. The Maldives elected the former dissident as president, the autocrat gamely made way, and the new democratic leader was bravely facing his country's many challenges until being forced to resign in a bloodless transfer of power to his vice-president in 2012. Even Myanmar held a relatively free election, albeit with severe restrictions, and freed its principal dissidents. Only in Afghanistan and Pakistan do fundamental difficulties persist. The prospects for peace, security and development look promising everywhere else on the subcontinent.

Listing the problems endemic to these countries is not to imply that India has been blameless in its own conduct. In Nepal, India's not-always-positive reputation for interference in that country's domestic affairs has generally not been undeserved. The border with Bangladesh has witnessed more shooting incidents in recent years than is explicable or reasonable, and despite the overwhelming imbalance between the two countries' forces, Indian border guards did not hesitate to shoot to kill Bangladeshi infiltrators, including migrant workers and petty smugglers, caught crossing the long and poorly demarcated border between the two countries. In Myanmar, India has abandoned its earlier policy of overt







only turn into reality if we take action to accomplish this brighter future together. Only work on the ground will help us overcome prejudiced mindsets, dogmatic doctrines and self-perpetuating myths. One thing is, however, clear. Our destinies are inextricably linked and we have to work together to lift our lives out of underdevelopment and conflict to peace and prosperity.

Our region has been blessed with an abundance of natural and human resources, a rich spiritual and civilizational heritage, a demography where youth is preponderant and a creative zeal manifest in all spheres of human endeavour. Our collective identity may be rooted in a turbulent history but the challenge is to translate the many factors that bind us into a self-sustaining, mutually beneficial and cooperative partnership that transcends the vicissitudes of the recent past. Indian officials like to argue that the people of South Asia have already made their choice and that the spirit—if not yet the reality—of an organization like SAARC embodies the aspirations of people from Herat to Yangon. It is imperative that all nations of SAARC work collectively to realize their vision. Yet, as Prime Minister Manmohan Singh noted at the April 2010 SAARC summit: 'We have created institutions for regional cooperation but we have not yet empowered them adequately to enable them to be more proactive.'

The Government of India, from the prime minister down, has a strategic vision of a peaceful subcontinent. The Indian foreign policy establishment genuinely believes that the peace, prosperity and security of our neighbours is in our interest. Many efforts have been made by India in recent years to ensure a marked improvement in its relations with most of its immediate neighbours, particularly following (and building upon) the articulation of the 'Gujral Doctrine' in 1996, which declared the accelerated development of every country in the subcontinent to be a key goal for India. Unlike some, India has never believed in undermining or destabilizing other countries; we believe that each of us deserves an







development of the Afghan economy and the stabilization of that country. With its rapidly growing economy and outward-looking entrepreneurs, India has also emerged as a source of investment and capacity building expertise. As a significant bilateral donor, India has already spent $1.5 billion undertaking projects virtually in all parts of that country, in a wide range of sectors, including hydroelectricity, power transmission lines, road construction, agriculture and industry, telecommunications, information and broadcasting, education and health, fields which have been identified by the Afghan government as priority areas for reconstruction and development. India has supported maternal and child health hospitals (the Indira Gandhi Hospital in Kabul, connected through a telemedicine link with two superspeciality medical centres in India, is the country's largest and best), rebuilt and helped run girls' schools and carved a road across south-western Afghanistan, from Zaranj to Delaram, opening up a trade route towards the west to supplement the existing routes through Pakistan. We have lit up Kabul; the first time Kabul has 24 hours of electricity a day since 1982 is because of the courage and enterprise of Indian engineers in stringing up electrical cables at a height of 3000 metres from Pul-e-Khumri to bring power across the mountains to the capital.

Our education and training programmes for Afghans are the largest such programmes that India has for any country in the world, and India's is the largest skill and capacity development programme offered to Afghanistan by any country in the world. We have welcomed students and civil servants from Afghanistan to our educational and training institutions as part of our contribution towards helping stabilize the country and the region, increase capacity and human resource development and build upon the solid foundation of our historical and civilizational ties. India offers 675 scholarships a year to Afghan students.

We are digging tube wells in six provinces, running sanitation projects







original US intervention was that Afghanistan should not again become a safe haven for the next bin Laden. Indications are that the United States will retain some 20,000 troops in Afghanistan, even in the most modest scenario.

Indians have every reason to be relieved. India realizes that an Afghanistan without ISAF is a land that will be prey to the machinations of Pakistan's notorious Inter-Services Intelligence, which had created, financed, officered and directed the Afghan Taliban in the 1990s. This would be a proven security threat to India: the Taliban regime of the day, functioning as a wholly owned subsidiary of the ISI, had been complicit in the hijacking of an Indian airliner in 1999, resulting in the release (in Kandahar) of three diehard terrorists from Indian custody, one of whom went on to kidnap and kill the American reporter Daniel Pearl.

In this context, America's interest in reconciliation with the Taliban has been studied in New Delhi with some concern. After rejecting this for some time (on the not-unreasonable grounds that there can be no such thing as a good terrorist), New Delhi has come around to accepting dialogue with those Taliban elements who are prepared to renounce violence. President Obama speaks of dealing with those who agree to break with Al Qaeda, abandon violence and abide by the Afghan Constitution, categories India would have no difficulty with. But New Delhi is wary of those who, under Pakistani tutelage, might pretend to be reborn constitutionalists, but seize the first opportunity after an American withdrawal to devour the regime that compromises with them.

This is why New Delhi stresses the importance of improving the capacity of the Afghan government to fight and overcome terrorism; if Kabul's sinews are not strengthened, it will again be vulnerable to an extremist takeover. The role of Pakistan—which has made no secret of its desire to control the government in Kabul in order to enjoy 'strategic depth' for its overambitious military—remains of particular concern. India shares the United States' commitment to what Obama, in















Bangladesh was reluctant to sell natural gas to India for fear of being seen domestically as submitting to Indian 'exploitation', public opinion has shifted significantly. Polls conducted by both Bangladeshi and foreign researchers have confirmed that hostility towards India is now expressed only by a tiny minority and that regard for India, as well as support for its rise as a significant power, is a widespread sentiment. This is a welcome change, and augurs well for the future.

This is not to suggest that all is merely sweetness and light between the two countries. Bangladesh has, in the not-so-distant past, served as a haven for Islamist fanatic groups and even terrorists, and has provided a sanctuary for Indian insurgents in the North-East. It has also been a source of illegal migration into India—some 20 million Bangladeshis are reliably estimated to have slipped into the country over the last two decades and disappeared into the Indian woodwork—and of counterfeit currency, which is regularly infiltrated into India by ISI operatives through the porous borders with Bangladesh and Nepal in an attempt to undermine the Indian economy. There are also lingering issues of border management and transit-related questions as well as controversies over water-sharing. This last erupted in the headlines when the chief minister of the Indian state of Paschimbanga (West Bengal), Mamata Banerjee, an important coalition partner of the Manmohan Singh government, vetoed a proposed agreement in 2011 to share the waters of the river Teesta, claiming it would deprive her farmers of adequate water. This was widely seen as a setback for a relationship that was once again beginning to blossom after a long freeze. It is clear that cooperation on sharing the Teesta waters is indispensable for Sheikh Hasina to be able to claim that Bangladesh has gained from her friendship with India; and we must all help persuade the Paschimbanga leadership that these waters are not 'ours' to 'give', but a shared natural resource (as we accepted in the Indus waters treaty with Pakistan) which we should use responsibly and equitably.







the details of its démarches quiet to avoid embarrassing the government in Colombo.

It is also relevant to note that Sri Lanka is one of the major recipients of development assistance, both grants and low-cost credit, given by the Government of India for an assortment of infrastructure-related projects. Plans for developing the interconnectivity of the Indian and Sri Lankan electricity grids, setting up e-learning centres and supplying buses for transportation in hilly and remote locations reflect Indian strengths that respond to Sri Lankan needs. There has been one major setback, however. Many analysts have deplored India's failure to accede to Sri Lanka's request to develop the port of Hambantota in President Rajapaksa's own constituency—and then watched in chagrin as China took on the task with its usual efficiency and speed. India's inability to be able to respond to such requests for large-scale infrastructural assistance remains a significant failing.

Cultural cooperation, on the other hand, is a very important aspect of the Indo-Lankan bilateral relationship. The Indian Cultural Centre in Colombo actively promotes awareness of Indian culture by offering classes in Indian music, dance, Hindi and yoga. Every year, cultural troupes from both countries exchange visits. India is also committed to the restoration of important icons of the cultural heritage of Sri Lanka. Accordingly, it is participating in the setting up of an International Buddhist Museum in Kandy and the restoration of the Thirukeeteswaram Temple in Mannar. A visa-issuing consulate and an Indian cultural centre opened in Jaffna recently to promote people-to-people contact and visits between the two countries and especially their Tamil areas.

Commercial relations are in better shape and are set to expand rapidly in the post-war environment. Trade between India and Sri Lanka has grown fast after the coming into force of the India–Sri Lanka free trade agreement (FTA) in March 2000, making Sri Lanka India's largest trade partner in SAARC. India in turn is Sri Lanka's largest trade partner







are committed to strengthening and enhancing our bonds of friendship with these close cousins.

As elections in 2011 (and a by-election in 2012) both ratified and subtly altered the consequences of three decades of military rule in Myanmar, formerly (and to many nationalists, still) called Burma, the perspective from India may help explain much about the international survival and continued acceptability of the junta in that country.

Burma was ruled as part of Britain's Indian Empire until 1935, and the links between the two countries remained strong. An Indian business community thrived in the major Burmese cities, and cultural and political affinities between the two countries were well established. India's nationalist leader and first prime minister, Jawaharlal Nehru, was a friend of the Burmese nationalist hero Bogyoke (General) Aung San, whose daughter Suu Kyi studied in New Delhi.

When the generals in Rangoon (now Yangon) suppressed the popular uprising of 1988, overturned the results of a free election overwhelmingly won by Aung San Suu Kyi's National League for Democracy (NLD), shot students and arrested the new democratically elected leaders, leaving NLD leaders and party workers a choice of incarceration or exile, the Government of India initially reacted as most Indians would have wanted it to. India gave asylum to fleeing students, allowed them to operate their resistance movement on the Indian side of the border (with some financial help from New Delhi) and supported a newspaper and a radio station that propagated the democratic voice. For many years, India was unambiguously on the side of democracy, freedom and human rights in Myanmar—and in ways more tangible than the rhetoric of the regime's Western critics. In 1995 Aung San Suu Kyi was awarded the Jawaharlal Nehru Award for International Understanding, India's highest honour given to a foreigner.







visiting US President Barack Obama publicly chastised New Delhi in November 2010 for its indulgence of the Burmese junta in Naypyidaw (the new Burmese capital created by the military): 'Myanmar is not a country on the dark side of the moon but a country on our borders with which we have to deal.' It is telling that India's tri-services command on the Andaman Islands abuts Myanmar's maritime boundaries and is just about 20 kilometres away from Myanmar's Coco Islands, where China is believed to be building naval infrastructure. These are not considerations a responsible government overlooks.

In turn, by cancelling a $3.6-billion hydroelectric project (90 per cent of its electricity would have been exported to China), the Burmese government surprised most observers, even though Chinese analysts were quick to express understanding of Naypyidaw's desire not to be seen as wholly subservient to a much more powerful neighbour. But the signal is clear: Myanmar is not a vassal state of China, and is willing to diversify its foreign relations.

It is in Myanmar's interests to have more than one suitor wooing it; offsetting one neighbour against another is a time-honoured practice. Though China's engagement dwarfs India's, Myanmar–India bilateral trade reached $1.071 billion in 2010–11, including India's purchase of 70 per cent of Myanmar's exported agricultural produce, and India is now Myanmar's fourth largest trading partner after Thailand, Singapore and China. (India's privileged relationship with the junta in Naypyidaw also allowed it quicker humanitarian access than the United Nations and other international relief agencies enjoyed following the devastation caused by Cyclone Nargis in May 2008.)

Economics can always open the door to politics. 'That Myanmar could defy the Chinese [by cancelling the hydroelectric project],' wrote the Indian scholar Sreeram Chaulia, 'is being seen as a sign that political space exists for the United States to work as a facilitator of the democratisation process in Myanmar.' The November 2011 visit of US







As India has benefited enormously from its own ability to participate in the global economy, so too will its neighbours benefit from access to and participation in India's economy. It is shocking—no milder word will do—that just 5 per cent of South Asia's trade is within the SAARC region, and that a region with 22 per cent of the world's population produces barely 6 per cent of its GDP. (The World Bank has even declared South Asia to be the world's least economically integrated region, with countries spending far more than they need to on goods they could have imported from within South Asia. A recent report titled 'Cost of Economic Non-Cooperation to Consumers in South Asia' contends that further trade integration among South Asian economies could yield $2 billion to consumers.) Changing this must be a priority; promoting regional prosperity will go a long way towards persuading India's neighbours that they have a stake in its success. This will require giving India's neighbourhood the same priority that Indian foreign policy has traditionally accorded to major powers like the United States and China, and balancing its understandable interest in global strategic issues with a regional focus on matters of trade, water resources, disaster management and cross-border movements of populations. The integration of India's border states with their foreign neighbours' economies would offer a win-win for both.

Indeed part of the challenge is that what is involved is not just integration, but the reintegration of economies torn asunder by history and politics. It would be of historic and sentimental value, as well as practical, if increasing South Asian integration served to reverse the severe economic damage inflicted by Partition in 1947. At that time, the stroke of a British pen severed road, rail and river links that had flourished in united India under the British Raj. Natural ports were cut off from their hinterlands, as Kolkata was from East Pakistan (later Bangladesh) and as Bangladesh's own Chittagong has been from India's north-eastern states. Mumbai and Karachi were once siblings, twin























should be; India is a fractious democracy, China is not. But as an Indian, I do not wish to pretend we can compete in the global growth stakes with China.

In fact, if anyone wanted confirmation that twinning India with China is, to put it mildly, premature, one has only to look at the medals tally at the Beijing Olympics. China proudly ranked first, with 51 gold medals and a total of 100. You have to strain your eyes past such twinkling little stars of the global family as Jamaica, Belarus, war-torn Georgia, collapsing Zimbabwe and even what used to be called Outer Mongolia before stumbling across India in 50th place, with precisely three medals, one gold and two bronze.

This is not, in fact, a surprise. Whereas China has set about systematically striving for Olympic success since it re-entered global competition after years of isolation, India has remained complacent about its lack of sporting prowess. Where China lobbied for and won the right to host the Olympics within two decades of its return to the Games, India rested on its laurels after hosting the Asian Games in Delhi in 1982, so that it is now considered further behind in the competition for Olympic hosthood than it was two decades ago. Where China embarked on 'Project 119', a programme devised specifically to boost the country's Olympic medal standings (the number 119 refers to the golds awarded at the Sydney Games of 2000 in such medal-laden sports as track and field, swimming, rowing, sailing and canoeing), Indians wondered if they would be able to crack the magic ceiling of two, the highest number of medals the country has ever won at this quadrennial exercise in international sporting machismo. Where China, seeing the number of medals awarded in kayaking, decided to create a team to master a sport hitherto unknown in the Middle Kingdom, India has not even lobbied successfully for the inclusion in the Games of the few sports it does play well (kabaddi, for instance, or polo, or cricket, which was played in the Olympics of 1900 and has been omitted since). Where China has















in the great adventure of bringing progress and prosperity to a billion people each, through a major economic transformation. At the broadest level, India's foreign policy must seek to protect that process of transformation—to ensure security and bring in global support for our efforts to build and change our country for the better.

India and China have inevitably been directly affected by the global trends of the post–Cold War era. On the one hand, we are both far more globalized economies than most, and more so than we ever were in the days when we raised the protectionist barriers to shield us while we developed our autonomous national capabilities. We are today more connected through trade and travel—much more than ever before—with the international system, and trade and foreign investment accounts for a steadily increasing share of our GDP, China's much more than India's. Today we can admit that our links with the world are one reason for the highest-ever growth rates that our countries enjoyed.

Our two civilizations had centuries of contact in ancient times; thanks mainly to the export of Buddhism from India to China, Chinese travellers came to Indian universities, visited Indian courts, and wrote memorable accounts of their voyages. Nalanda University, which flourished in northern India for seven centuries from 427 CE and attracted students from across Asia, received hundreds of Chinese students in its time, and a few Indians went the other way. My wife and I had the great pleasure of visiting the famous Lingyin Si temple in Hangzhou, established by a Buddhist monk from India in 326 CE. As mentioned earlier, the great admiral Zheng He visited India less than a century later; on his way, in 410 CE, he erected a tablet in Sri Lanka, written in Chinese, Persian and Tamil, calling on the Hindu deities to bless a world of free trade! Kerala's coastline is dotted with Chinese fishing nets, and the favourite cooking-pot of the Malayali housewife is the wok, locally called *cheena-chatti* ('Chinese vessel'). It's been a while, though, since Indians and Chinese had much to do with each other. The heady days of 'Hindi-Chini







security. (Sadly, the two countries have even sometimes made common cause on human rights, with China and India agreeing on countering Western draft resolutions in UN bodies—China because it is usually guilty of the very practices being condemned in others, India because of its allergy to 'country-specific' human rights prescriptions.)

All of these areas provide a realistic basis for further long-term cooperation. One exception, alas, is the issue of combating international terrorism, where China's indulgence of Pakistani terrorist groups at the UN is arguably not in its own long-term interests. But that can change, and China–India cooperation can also improve on the issues of piracy, oil spills and other international environmental issues, nuclear disarmament and arms races in outer space, human trafficking and natural disasters—all of which are issues on which the two countries could play mutually supportive roles, take joint responsibility and contribute to the establishment of new rules in the global system. New areas of cooperation could also emerge—wildlife conservation, for instance, where both countries could cooperate on issues like the smuggling of tiger parts to Chinese customers, or disaster management, where Asia's two giants have much to learn from each other but have made little effort to do so.

Energy is an obvious area for cooperation. The US Department of Energy estimates that China's oil consumption will rise 156 per cent and India's oil consumption will rise 152 per cent by 2025. While both countries are seeking to expand their domestic production, opportunities for growth are limited, and both countries will become more dependent on imported oil, making them more vulnerable to irregularities of supply and price volatility. This makes the quest for reliable sources of supply and secure sea lanes of communication a shared interest. After all, both China and India are relatively new entrants into the global oil system. They are facing fierce competition from much larger, more experienced and arguably more resourceful Western oil companies. Cooperation

between Indian and Chinese oil firms is essential.

Prior to 2002, India and China competed aggressively with each other to acquire oil and gas fields abroad. Wisdom dawned, however, with improved energy cooperation starting that year, when India's Oil and Natural Gas Corporation (ONGC) purchased a 25 per cent share of Sudan's Greater Nile Oil Project, operated by the China National Petroleum Corporation (CNPC). The experience has been positive and continued cooperation in the global energy sector, including some examples of joint bids and at least one successful joint acquisition, has occurred. The prospects for further collaboration, to jointly explore and develop oil and natural gas resources in third countries, are high.

To take another example: our demand for food will inevitably rise as well, perhaps by 50 per cent in the next two decades, as a result of our growing population, their rising affluence and the improved dietary possibilities available to a larger middle class. We will need to multiply our sources of food, including acquiring agricultural land abroad, in Africa and even Latin America. Lack of access to stable supplies of water is reaching critical proportions, particularly for agricultural purposes, and the problem will worsen because of rapid urbanization over the next twenty years. We will need skilful and creative diplomacy to ensure that interruptions in the flow of water across our borders do not bedevil relations with our neighbours.

The only question is whether the two countries can prolong the elephant–dragon dance, or whether political tensions could bring the music to a screeching halt. Critics argue that the good news is in fact good only for China. The trade surplus is undoubtedly in favour of Beijing: of the $73 billion in 2011, $50 billion consisted of Chinese exports to India and only less than half of that, $23 billion, of Indian exports to China. China conserves it own domestic resources of iron ore by importing this commodity from India and selling finished steel to it. Indeed, some critics have argued that India is largely exporting its



























Chairman', said communist graffiti scrawled on Kolkata's walls in the 1960s and 1970s) had given rise to worries of a Beijing-inspired fifth column seeking to destroy the Indian state from within. China's evolution into a highly capitalist state, accompanied by a thoroughgoing disinclination to foment revolution elsewhere, has cost it the loyalty of India's communist cadres, whose disillusionment with Beijing is now palpable. Indeed, there are more true believers in Maoism in India than in China. The Hong Kong magnate Ronnie Chan once remarked to me that 'China is officially a communist country, but you would have to look very hard to find a communist in China. If you want to find a real communist, you will have to go to Kerala.' The leading Indian communist party, the Communist Party of India (Marxist), which had been the only party in the world to pass a resolution hailing the Tiananmen Square massacre in 1989, displayed great ideological angst in its 2012 party congress over the direction China was taking. Whatever else New Delhi might have to worry about with regard to Beijing, it is no longer its capacity to foment revolution in India.

But all the other factors outlined above mean that the usually complacent elephant is wary of the hissing dragon, and for the first time it has begun showing its distrust. In December 2010, Premier Wen was obliged to sign a joint communiqué which did not explicitly mention India's routine affirmation of 'One China' (an acknowledgement of Chinese sovereignty over Tibet and Taiwan). Though there is little prospect of India changing its policy on either Tibet or Taiwan, failing to reaffirm it—in what had become a ritual the Chinese took for granted—was a clear signal of Indian displeasure with Chinese attitudes on the political issues dividing the two countries. Until the Sino-Indian frontier is satisfactorily demarcated and the dispute ended, bilateral relations are likely to remain mildly frosty.

And yet, there is a lot that India and China can achieve by joining hands, and it will not only be for their interest, but for the common good

























































































































































































































































































































































































































































































































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